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# AIM boss tours the regions to woo firms

## Listing could help small businesses

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THE head of the London Stock Exchange's Alternative Investment Market (AIM) was in Liverpool last week to speak to the region's corporate advisors. Marcus Stuttard, head of AIM, was bidding to encourage more of the region's companies and investors to engage with it.

He said he was hoping to counteract what has been a difficult year for the world's financial markets and spread the message that, while other sources of finance such as venture capital and bank debt remained thin, businesses could still find funds to secure their futures by issuing or selling shares.

Mr Stuttard said: "It's been particularly tough on small companies. A lot of people are now starting to focus on the importance of equity from public markets to access funds.

"We have started a push around

the regions of the UK.

"I want people to understand how important AIM is to the UK economy. There are 280,000 people in the country employed by AIM companies that have less than £25m market capitalisation."

Mr Stuttard claimed that AIM's indices had grown faster than any other UK stock market indices, but acknowledged that the junior market suffers a liquidity problem. It can prove hard to sell shares in some small companies.

AIM has seen 3,000 companies list on it in the 15 years since it was created to replace the Unlisted Securities Market.

Between them, those 3,000 issuers have raised £63bn. Last year alone, £2bn was invested in AIM quoted companies, mostly by way of secondary issues. The market for initial public offerings, though, remains very quiet.

Despite the impressive statistics, Mr Stuttard agrees there is a heavy London and South East England weighting among AIM-listed companies, and that Merseyside and other regions of the country are under-

represented on the markets, as they are on the Full List.

However, the AIM boss insisted: "There are no structural reasons why companies from the regions should not be on the markets. Equity is really important and there are so many additional benefits to being on the market, other than just raising capital. It gives customers and suppliers more confidence. There is additional public profile which can help secure more contracts."

Mr Stuttard said he did not think the issue was "cultural", with regional entrepreneurs preferring to remain privately-owned rather than invite in public investors.

He insisted that the region is home to the necessary community of expert advisors who can help firms achieve listings.

"There is a really strong base of good advisors in Liverpool," he said. "Many of them belong to firms with a national network of people who know how to float companies on public markets."

The London Stock Exchange is trying to provide practical help to



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companies and other market players by developing tools that allow companies access to the sort of expertise that could otherwise be expensive to procure. These include an investor relations tool that helps companies sell their shares to fund managers and City analysts.

"Our PSQ Analytics tool provides independent, high-quality equity research but is also cost-effective," he explained.

"As well as well-established institutional investors, we need to get through to retail investors to make sure our companies are getting a balanced book of investors.

The region's AIM-quoted companies include Park Group, owned by Birkenhead

entrepreneur Peter Johnson. Previously on the Full List, Park transferred to AIM to cut costs.

City centre-based Proventec has spent millions developing and marketing a steam-cleaning system that can counter the deadly MRSA hospital bug. It is under trial by the NHS. Another is Capenhurst-based Energetix, which has developed a way of regulating the flow of electric current into homes and offices with a view to cutting power bills.

The lighter-regulated AIM, though, has its share of failures. The barely profitable Stanhope Street brewer Cains Beer Company collapsed, owing millions, just a year after listing on AIM through a reverse takeover of loss-making Honeycombe Leisure. However, Mr Stuttard argues that AIM has suffered no more collapses than London's more tightly regulated Full List.

City has  
base of  
good  
advisors



**Marcus Stuttard, head of AIM, visiting Liverpool last week**

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